*by Clement Winston* ☆

# Sales-Inventory Position of Retailers

SALES at retail stores have moved at a fairly steady rate so far in 1954, averaging for the first 4 months of the year 2 percent below the dollar sales of the same months of 1953. Consumer income after taxes, higher than in the early months of 1953, has been a major factor in this relatively favorable showing. However, the comparative weakness which has characterized durable goods sales has reflected a less urgent demand for large unit expenditure items, such as automobiles, and a lessened willingness on the part of individuals to incur installment debt.

After allowance for differences due to trading days, Easter and other seasonal factors, April sales were higher than any of the earlier months this year. Average sales for the first 4 months of the year were at an annual rate of over $167 billion, about the same as in the fourth quarter of 1953—though about 3 percent below sales in the first 4 months a year ago.

Retail commodity prices have, on the average, been quite steady, with the current price index about the same as a year ago and within 1 percent of the high point last summer. It thus appears that the physical volume of goods passing through retail channels has been rather stable over the past year or so and is currently at a near-record rate. As pointed out later in this review, however, there have been substantial changes by commodities and by geographical areas.

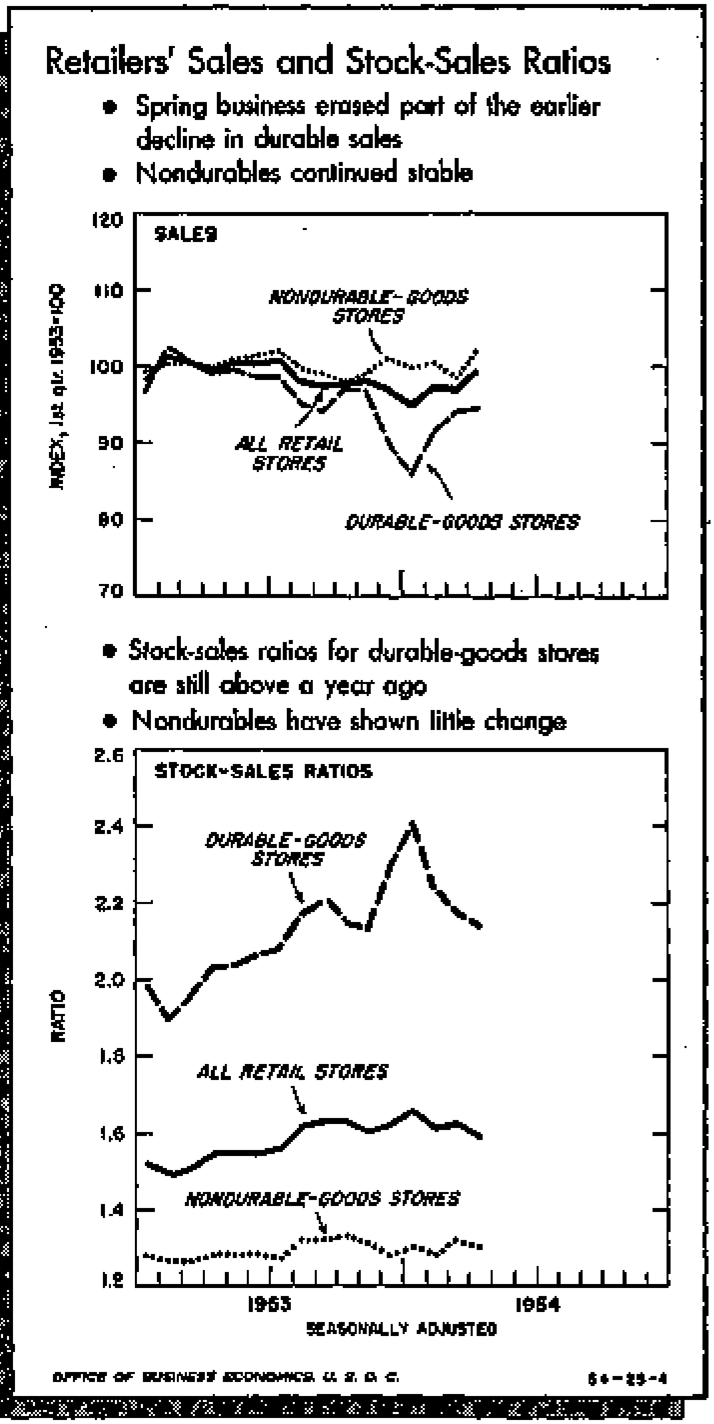
## *Large changes in durables*

Movements in total retail sales in the past year and a half are to a large extent reflections of the behavior of the durable goods market. During the year 1953 the trend of durable sales was generally downward with fourth quarter sales, on a seasonally adjusted basis, off about 5 percent from the high in the first quarter. Aggregate durable sales fell further in January 1954 to almost 15 percent below the rate in the first quarter of 1953. From this low point, however, durable sales picked up and, in mid-spring, had regained about one-half of the previous decline.

Seasonally adjusted nondurable-goods sales, on the other hand, have been well maintained in the 1953–54 period, with sales deviating only 4 percent from the highest to the lowest month. Sales for the first 4 months of this year have shown relatively small monthly changes on the average. Total nondurable sales and those of most major nondurable-goods groups were also little different saleswise from the corresponding months a year ago.

## *Recent inventory developments*

Retailers of automobiles and other durable goods by spring of 1953 had replenished stocks depleted during the 1952 steel strike, and inventories at that time were adequate for the




Retailers' Sales and Stock-Sales Ratios

- Spring business erased part of the earlier decline in durable sales
- Nondurables continued stable

- Stock-sales ratios for durable-goods stores are still above a year ago
- Nondurables have shown little change

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going rate of sales. Stocks continued to rise through the late spring and summer and, with the easing of sales, led to a reduction in the flow of business to manufacturers.

As retailers took positive action to reduce stocks, inventories rose only moderately during the 1953 third quarter and were reduced in the final quarter. There was little net change in book values in the first four months of this year, with a further decline in durable stocks other than automobiles, partly offset by a rise in nondurable goods.

While the change from accumulation to liquidation of inventories in retailing and elsewhere had an important impact on output and employment, the actual reduction in retail stocks was not large. The seasonally adjusted total of retailers' stocks moved from $22.9 billion at the end of last September to $22.6 billion this past April. There appeared to be a tendency on the part of many retailers to deplete the more heavily overstocked items through sales promotions, and to follow a policy of reordering only those items necessary to meet immediate demand.

Despite the downward movement of stocks toward the year-end the ratio of stocks to sales had moved from 1.5 months of sales in January 1953 to 1.6 months at the year end. This ratio has held quite stable thus far this year. The ratio of stocks to sales currently is only slightly lower than in 1951 and above any other year since 1939, with the exception of 1942, when during the early months of the war retailers rushed to stock up on prospectively scarce items. With the modest spring improvement in sales there appears to be no tendency at the moment to reduce retail inventories.

In large part, it was the change in durable goods sales that caused the 1953 rise in the overall stock-sales ratio. For nondurables, the stock-sales position has remained virtually unchanged in the recent period holding closely at about 1.3 months of sales. For the durables, on the other hand, the ratio moved up rather rapidly throughout 1953 to reach a high of 2.4 in January of this year, the low point in sales. With the book value of stocks held by retailers of durables reduced moderately in recent months, the steady rise in sales has lowered the stock-sales ratio in April to 2.1, about the same as a year ago.

### *Automobiles dominate sales totals*

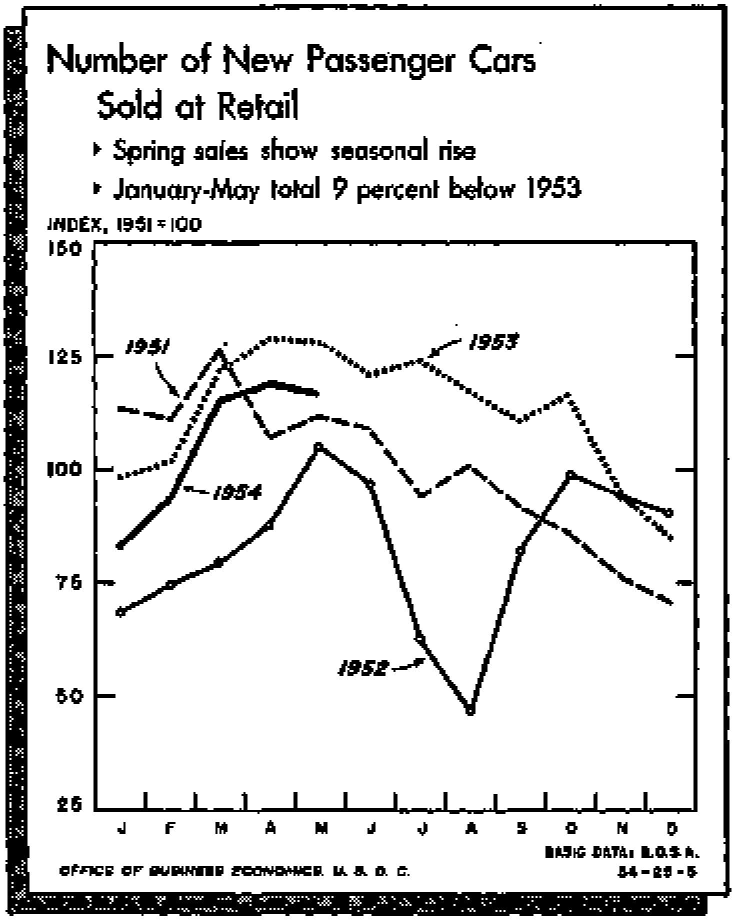
Since the automotive group accounts for more than half of the total sales of all durable-goods stores, it is clearly a major influence upon the pattern of total durable goods sales. The importance of these sales not only on the durables but on the entire sales picture may be seen by noting that seasonally adjusted retail sales excluding those by motor vehicle dealers in January of this year were only 2 percent below the 1953 first half, compared with the 5 percent drop in the aggregate inclusive of autos. Nonautomotive retail sales in April were about at year-ago rates.

Sales of automotive dealers, on the other hand, fell sharply in the latter part of 1953 and by January of this year were nearly one-sixth below the previous year. From this low point sales picked up substantially and by spring were within 2 percent of the year-ago rate.

This improvement in sales position was more a reflection of used car sales trends and servicing activity of dealers than of developments in the new car markets. New car sales have shown significant recovery from the January low point, but have been consistently below the year-ago position. For the first five months of 1954, the number of new car sales was about 9 percent below the previous year.

On the other hand, the used car market has been relatively good in recent months. Sales volume improved from a year ago, while the average prices of used cars which had been declining for about a year, reached a low point in February and have since indicated firming tendencies. Receipts for dealer services have continued at a high rate and have helped to keep total sales of motor vehicle dealers close to year-ago levels.

Credit buying has been a significantly reduced influence in purchases from auto dealers so far this year. Whereas automobile loans made a year ago represented almost 45 percent of total dollar sales of dealers, in the most recent period such credit sales dropped to less than 40 percent of the total. This development reflects in part the changed composition of dealer sales, as the increased relative importance of used cars and service receipts involved less need for credit, but it also mirrors the uncertainties associated with the substantial drop in industrial employment.



Number of New Passenger Cars Sold at Retail
- Spring sales show seasonal rise
- January-May total 9 percent below 1953

Automobiles had a special position in the recent inventory picture. Following the abnormally low point caused by the 1952 steel stoppage, retail passenger car stocks rose sharply through last September, and then were reduced moderately during the 1954 model changeovers. The rise was resumed in early 1954. This pattern in automobile stocks along with pronounced changes in sales has resulted in wide fluctuations in stock sales ratios.

In February a year ago, low stocks combined with high sales resulted in a stock sales ratio of 1.1 months of sales. With sales declining and stocks generally higher the ratio had risen to 1.7 in January of this year. Dealers' stocks remained steady during the late winter and early spring months, and with sales increased, the inventory position of motor vehicle dealers was also somewhat improved. Currently, the stock-sales ratio represents 1.4 months of sales, about equal to the average for the last half of 1953.

The sales and inventory positions of other major durable goods groups have been subject to much more moderate fluctuations in the recent past. Furniture and appliance store sales declined about 4 percent from the first to the second halves of 1953, but so far this year seem to have almost entirely recovered. Inventories held by this group of stores have been held virtually constant since early 1951. While the stock-sales ratio is about the same as a year ago, it is higher than in the opening months of 1951.

**Table 1.—Retail Store Sales and Sales-Income Ratios**
**Sales at seasonally adjusted annual rates**

[Millions of dollars]

| | 1953 | | | | 1954 | Sales as percent of disposable personal income | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1953 | 1954 |
| | I | II | III | IV | Jan.–Apr. | I | I |
| All retail stores | 172,352 | 172,466 | 170,498 | 168,308 | 167,227 | 70.2 | 66.3 |
| Durable-goods stores | 62,050 | 61,526 | 59,828 | 58,642 | 56,761 | 25.2 | 22.3 |
| Nondurable-goods stores | 110,302 | 110,940 | 110,671 | 109,664 | 110,466 | 46.0 | 44.0 |
| Automotive group | 33,906 | 34,175 | 32,426 | 32,678 | 30,710 | 13.8 | 11.9 |
| Furniture and appliance group | 9,410 | 9,238 | 9,001 | 8,948 | 9,290 | 3.8 | 3.7 |
| Lumber, building, hardware group | 10,552 | 10,242 | 10,606 | 10,276 | 9,723 | 4.3 | 3.9 |
| Apparel group | 10,700 | 10,794 | 10,034 | 9,969 | 10,320 | 4.4 | 4.1 |
| Drug and proprietary stores | 4,894 | 4,842 | 4,882 | 4,742 | 5,016 | 2.0 | 2.0 |
| Eating and drinking places | 13,050 | 13,016 | 13,160 | 12,756 | 12,980 | 5.3 | 5.1 |
| Food group | 40,487 | 40,971 | 41,164 | 40,826 | 40,923 | 16.5 | 16.2 |
| Gasoline service stations | 10,250 | 10,307 | 10,626 | 10,900 | 11,117 | 4.2 | 4.4 |
| General merchandise group | 18,741 | 19,161 | 19,116 | 18,912 | 18,384 | 7.0 | 7.2 |

Source: U. S. Department of Commerce, Office of Business Economics and Bureau of the Census.

Sales by the lumber, building, and hardware group fell off at the close of 1953 and dropped further this year. For the first 4 months on a seasonally adjusted basis they were 7 percent below the average for the first half of 1953.

Inventories at lumber-hardware stores remained relatively constant throughout 1953 but stocks were gradually worked off in the opening months of this year. As the spring building season got underway the stock-sales ratio was about equal to a year ago.

## *Grocery store sales high*

Grocery stores have contributed importantly to keeping aggregate retail sales at a high rate. These stores, as a group, account for almost one-third of nondurable goods store sales and about one-fifth of total retail sales.

In the first four months of this year grocery store sales were 3 percent higher than a year ago. This increase contrasts with all other soft-goods stores which, combined, were off slightly from early 1953 rates. On the average, food prices have changed very little over the past year and a half, indicating that the physical volume of grocery store purchases is somewhat above the high rate in early 1953 and about the same as in the latter part of that year.

A major share of the dollar gain shown in recent years for grocery stores has accrued to the larger chains. Sales of grocery chains with 11 or more outlets, which now amount to 38 percent of total grocery store sales, accounted for the major part of the sales increase in this field over the past year.

The recent gain in the relative importance of grocery chains reflects a continuation of the long-term trend to chain operation in this field which was interrupted briefly during the war years. It may be noted that nonfood chains generally did not increase their proportion of total sales over the past few years. Faster and easier transportation, made possible primarily by greater use of the automobile, has been a major factor in the growth of integrated suburban shopping centers in which giant supermarkets are points of focal interest. A good part of the relative gain by these stores has reflected diversification of sales items with "rack" merchandising ranging from magazines and pharmaceuticals to phonograph records and durable housewares. Existing stores have also been remodeled or moved to larger quarters.

The basic underlying factor in the postwar expansion of food store sales has been the high and rising incomes of consumers. Since 1946—and after an apparent upward shift from prewar in food expenditures relative to income—outlays for food have increased by more than 50 percent, approximately the same relative increase as in disposable personal income over the same period. Total spending on food currently takes slightly more than one-fourth of disposable income—before the war the proportion was typically somewhat less than one-fourth.

## *Other nondurables show mixed trends*

Many of the other nondurable goods groups have also exhibited continuing high sales over the recent period. Sales at eating and drinking places have been well maintained. Gasoline service stations have shown a steady upward trend in sales, which reflects in part the continuing increase in the number of motor vehicles on the road. Sales in these establishments are currently about one-tenth above a year ago.

Apparel was one of the nondurable groups showing a good deal of weakness in the latter part of 1953, and such sales have been low relative to income in the past year. In the last 6 months of 1953 seasonally adjusted sales of apparel stores were about 8 percent below the first half of the year. However, there was some recovery at the year end. The average for the first 4 months of the year was 5 percent below the year ago figure.

## *Sales and income*

An important factor in the retail sales position in the recent period has been the maintenance of consumers' disposable income. Although total personal income has declined, the reduction in income taxes tended to keep first quarter disposable personal income steady. Since sales in this period had edged downward, the ratios of sales at retail stores to disposable income declined further—from over 67 percent in the fourth quarter to a little over 66 percent in the first. This is down from an average of 69 percent in 1953 and 70 percent in 1951 and 1952, though still above the ratios reached in years prior to World War II.

The more recent changes in the ratio were confined mostly to the durable goods category. The rate for all durable goods stores fell from 25 percent in the first quarter of last year to 23½ percent in the fourth quarter and to about 22½ percent in the first 3 months of 1954. The proportion of disposable income spent at nondurable goods stores, at 44 percent in the first quarter of this year, was unchanged from the fourth quarter and 2 percent lower than in the year-ago quarter.

The lower figure for the durables reflected mainly the changes in automobile sales. For the remaining groups of durables, declines of much more moderate proportions have occurred in the last year.

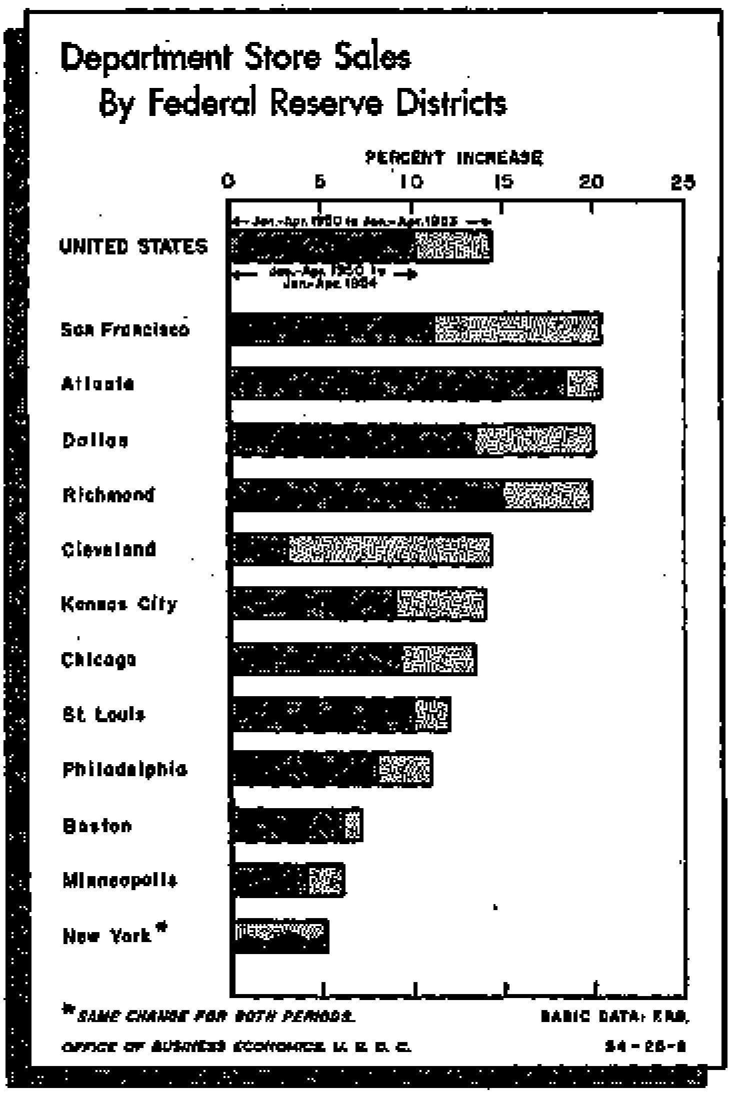
In the automotive group, first quarter 1954 sales were equal to about 12 percent of disposable personal income as compared with almost 14 percent in the first 3 months of last year. The rate at the present time, however, is still half again as high as it was in prosperous years prior to World War II.

Sales of nondurable goods stores as a whole are currently at about the same position relative to income as they were in the years immediately prior to World War II. The only groups showing a rate significantly different are food—which is higher—and apparel and general merchandise which are lower than prewar. In the recent period, most lines of trade have shown relatively small changes in their sales-income ratios—with groceries, drugs, and gasoline service stations the only major groups showing increases from early 1953.

## Department Store Trends

Department store sales are of special interest in any analysis of retail distribution. They deal in a great many diversified lines and are important sources for most commodities other than automobiles, lumber and building materials, food, and gasoline. The information available from the Board of Governors of the Federal Reserve System on department stores is much more detailed than that on other types of stores—making possible cross section analyses not available for broader areas of trade.

Total sales of department stores declined by about 2 percent in the second half of 1953 and fell off about the same amount, on the average, in the first 5 months of this year. March was a low point with sales down nearly 9 percent from a year ago, after adjustment for the incidence of Easter which came on April 18 this year and on April 5 last year.




April sales fared better, however, with seasonally adjusted figures for the month up about 5 percent from March and about the same as a year ago. Good weather conditions undoubtedly were an influence in the April rise, since the entire country shared in a generally mild Easter period. Department store sales in May held at the April rate on a seasonally adjusted basis. April-May sales are a high point thus far for the year 1954, though below the high of last year.

It is still too early to assess the effect on retail sales of lower excise taxes. At the time of writing, data usable for this purpose are available only for a few departments of department stores for the month of April.

Jewelry and silverware experienced a significant change in the pattern of sales for April. Sales for this department, which had exceeded the previous year through most of the months of 1953, fell below in the important month of December by 4 percent. The decline deepened in the first quarter of this year with March sales about 11 percent below a year ago. In April, sales exceeded the previous year by 13 percent.

The effect of Easter on sales in the silverware and jewelry department is probably small. March sales were undoubtedly lower due to anticipation of a tax reduction, and it yet remains to be seen whether the April increase represented deferred purchases or an actual stimulation in demand. The effect of the reduction in excise taxes was also noticeable in other departments handling taxable items—although in such departments as furs and handbags and small leather goods it is difficult to isolate the tax effect from that of the changing Easter date.

### *New orders turn up*

New orders placed by department stores, which for some months have been running above those for the previous year, were quickly curtailed in mid-1953 in response to the easing in sales and rising inventories. By January of this year, new orders were about a sixth below those placed in January a year ago. Despite the decline in sales, this policy resulted in reducing inventories about 10 percent between August and February, on a seasonally adjusted basis. By the end of last year, the value of stocks had returned to year ago rates.

Sales strengthened somewhat in February and new orders picked up. In March and April new orders were about equal to those placed a year ago.

Outstanding orders exhibited a similar pattern of behavior. Their total in 1953 ranged above the corresponding months of 1952 until the middle of the year, and then dropped below. In January of this year outstanding orders were nearly a fifth below the previous year. By April, however, they were about one-seventh below the same month last year.

### *Sales by departments*

The sales behavior exhibited by the individual departments of department stores is generally not significantly different from that previously indicated for retail stores handling related commodities. In general there was evidence of a decline that began during 1953 with indication of some leveling off or a slight improvement in the most recent months.

The homefurnishings department, which includes such items as furniture and bedding, durable housewares, major household appliances, and radio and television showed a sales trend somewhat similar to that of furniture and appliance stores.

For these departments as for the furniture and appliance stores, sales in the first 8 months of 1953 were greater than in the corresponding period of the previous year, and fell below thereafter. The indicated decline was greater in the case of the homefurnishings department at department stores than for the furniture and appliance stores. In addition, more signs of recovery are currently shown for the furniture and appliance stores than for these departments. To a large extent, the latter divergence is due to appliance sales; there is little difference in the recent sales trends in furniture between department stores and furniture stores.

Some of the differences in sales experience are due to the varying distribution of commodities at the two kinds of stores. It is therefore of interest to examine several of the groups included under the general head of furniture and furnishings.

## *Radio, television and music sales*

In these lines, sales in 1953 were well below those in 1952 in almost every month of the year, with total 1953 sales down nearly a tenth from the previous year. Stocks increased through most of the year so that the stock-sales ratio advanced considerably. A reduction in stocks began late in 1953 and has continued into the early months of this year.

In the last few months, however, the sales of the radio and television departments have picked up. A somewhat larger rise in sales was registered at appliance and radio stores in these 2 months.

## *Major household appliances*

Sales of major appliances dropped below the previous year early in the second quarter of 1953. Since then, however, they have followed the previous year pattern rather closely, thus suggesting changes primarily seasonal in nature. Sales at appliance and radio stores, as indicated, showed more improvement in recent months but there is no commodity break available for comparison.

**Table 2.—Percentage Changes in Department Store Sales, by Districts**

| | Jan.-Apr. 1950 to Jan.-Apr. 1953 | Jan.-Apr. 1953 to Jan.-Apr. 1954 | Jan.-Apr. 1950 to Jan.-Apr. 1954 |
|---|---|---|---|
| United States | 14 | −4 | 10 |
| Boston | 7 | −1 | 6 |
| New York | 5 | 0 | 5 |
| Philadelphia | 11 | −3 | 8 |
| Cleveland | 14 | −10 | 3 |
| Atlanta | 20 | −2 | 18 |
| Richmond | 20 | −4 | 16 |
| Chicago | 13 | −4 | 8 |
| Minneapolis | 6 | −2 | 4 |
| Kansas City | 14 | −4 | 9 |
| St. Louis | 12 | −2 | 10 |
| Dallas | 20 | −6 | 13 |
| San Francisco | 20 | −8 | 11 |

Source: Board of Governors of the Federal Reserve System.

Stocks in this department had been steadily reduced throughout 1953, declining by about 10 percent for the year, and have been held steady so far this year. The year-to-year reduction in stocks paralleled the decline in sales, so that the stock-sales ratio was unchanged from a year ago.

## *Furniture and bedding*

During 1953, furniture and bedding sales exceeded the corresponding months of 1952 through September and held close in the fall. These sales last December fell about 8 percent below a year ago and have remained at this rate since the turn of the year.

Stocks were increased somewhat through most of 1953. Only early this year did there appear evidence of some stock reduction in this department.

## *Men's and women's wear*

In both, the sales experience is slightly different from that indicated in sales at men's and women's apparel stores. There had been a decline in sales at apparel stores in the last half of 1953 with the recovery that started at year's end bringing total sales in 1954 close to year ago figures.

At department stores, sales of these 2 important departments stayed close to the year ago position throughout 1953 and also thus far in 1954. There appears to be no evidence of any change in the pattern of sales in 1954 from 1953 if allowance is made for the offset of the varying date of Easter.

Stocks of men's and women's wear at department stores rose in 1953. Only slight stock reductions are evident thus far this year, and the current stock-sales ratios are higher than a year ago.

## *Regional variation in sales*

Department stores not only are important distributors of a wide variety of commodities but also are located in large cities and suburban areas throughout the country. The pattern of department store sales thus gives some indication of the regional variation in retail activity in a fairly wide composite of products.

A comparison of the changing sales since 1950 by regions is given in the accompanying table and chart. Taking first the period from immediately pre-Korea to early 1953, it would appear in general that States in the West and South have fared much better than average in the national sales picture, which for all department stores involved an increase of about 14 percent. As can be seen in the chart, sales in the San Francisco, Dallas, Atlanta and Richmond districts rose one-fifth during this period.

Four districts in the mid-west had relative sales increases clustered around the national average. Only the north and eastern districts—New York, Philadelphia, Boston and Minneapolis lagged below the overall trend for department stores with increases ranging from 5 percent in the New York area to 11 percent in the Philadelphia area.

Department store sales in the first 4 months of this year fell 4 percent from the corresponding period of 1953, but were still 10 percent above early 1950. With some notable exceptions, it would appear that, those areas which underwent the largest increases in sales in the 1950–53 period also tended to experience the greater declines in sales over the past year, while lesser reductions occurred in regions with more moderate post-Korean expansions.

Thus the San Francisco district with one of the largest early gains also showed one of the larger declines this past year. On the other hand, the New York and Boston area department stores maintained their sales fairly well from early 1953 to early 1954.

In general, it may be noted that the districts which fell relatively more than the United States average, namely the Cleveland, San Francisco, Dallas, Richmond, and Kansas City districts, are those in which there is concentration of heavy industrial activity and/or considerable reliance on farm income.

The Cleveland district, which includes cities such as Pittsburgh, Cleveland, Toledo, and Cincinnati, is strongly influenced by the volume of operations in steel, machinery, and metal fabricating plants. Because these industries were particularly active through the first half of 1953, employment was high in this district. In the latter part of last year and the early months of this year, activity in many heavy industries fell well below capacity. The most recent reports on sales from this district do not show participation in the overall sales increase in recent months.

(Continued on p. 23)

have been in the sales of basic materials producers—primary metals, both ferrous and nonferrous, and lumber.

Sales of producers of transportation equipment other than motor vehicles have declined about 10 percent from their last July rate. In contrast to the general liquidation of durable-goods inventories since last fall, these companies' inventories have shown little change. While the stock-sales ratio for this group was reduced a little in early spring it is currently at a near-record rate of 3 months of sales. The inventory adjustment by motor vehicle producers, on the other hand, has been substantial—amounting to about 10 percent since last September. Late-spring shipments of this industry were 15 percent under last year's high. The stock-sales ratio has been reduced in recent months dropping to 1½ months of sales, compared with 1½ months a year ago.

Sales by both electrical and nonelectrical machinery producers have declined about 8 percent from mid-1953. Both groups have liquidated some 10 percent of their stock since the September peak, bringing stock-sales ratios in recent months almost back to their year-ago rates of a little over two months. Orders backlogs have been reduced relatively less in electrical equipment than in other machinery industries. As of April of this year, the ratio of unfilled orders to sales for electrical equipment was nearly 7 months as against 9 months last April. Backlogs of orders held by nonelectrical producers this spring amounted to 3½ months of sales, as compared with nearly 5 months of sales a year ago.

Since last summer, sales of primary metal producers have dropped one-third, while their new orders have fallen almost two-fifths—with even greater relative reductions in steel. Unfilled orders held by this group represented a little over 2½ months of sales as of the end of April—a ratio about one-fifth lower than a year ago.

Some inventory liquidation was accomplished during the fourth quarter, but there was very little change in the book values of inventories of the primary metals group during the first 3 months of this year. April brought a substantial decline, centered largely in the steel industry. At the beginning of May, stocks amounted to 2 months of sales, well above the ratio a year ago.

### *Nondurable industries divergent*

The relative stability shown by the nondurable-goods industries in the past year has resulted from moderate and offsetting movements in the component industries. Sales for the food group have moved up about 2 percent since last summer and are now above the year-ago total. The increases occurred in all food-processing industries other than meat packing—where there was little change. In line with the rise in total food sales, inventories have been increased, with the accumulation again centering in areas other than meat. Inventory-sales ratios rose during the fall and winter but declined in March and April.

The same pattern—sales increases and inventory accumulation—but in more moderate degree, has been shown by beverage producers. Other consumer goods industries such as apparel and leather products showed the more typical course of decline in sales followed subsequently by inventory liquidation.

The sales decline in textiles, 12 percent from the high last May, was among the sharpest in the nondurable-goods industries. Inventory liquidation by textile companies began last July—somewhat earlier than in other areas; sales had also turned down somewhat earlier than in other soft-goods industries. Textile inventories now represent about 2¾ months of sales—and have increased more relative to sales than have most other major nondurable sectors.

The chemical group has shown considerable sales strength in recent months, with shipments in April at about equal to the July 1953 high. Inventory liquidation has been moderate. Due primarily to the sales gain this spring, the inventory-sales ratio has declined substantially during the last few months of this year and is now back to the year-ago rate.

Sales of rubber producers have dropped almost 15 percent from their 1953 high, and stocks have been reduced relatively about as much. Petroleum sales have shown about a 2 percent decrease from midsummer, while more recent inventory adjustments have brought stock-sales ratios in line with year-ago rates.

## Sales - Inventory Position of Retailers

*(Continued from p. 10)*

The decline in sales from a year ago in the Kansas City, Atlanta, Richmond, and Dallas districts may be influenced by the decrease in farm income. For the United States as a whole, cash receipts from farm marketings in the first quarter of this year were down about 3 percent from a year ago, due largely to a 9-percent reduction in crop receipts.

The regions which have fared somewhat better in department store sales than the average for the country as a whole over the past year—although somewhat poorer over the entire postwar period—are in the northern and eastern parts of the country in which farming and very heavy industry play a lesser role. The fact that in the recent period at least, these regions have experienced somewhat lower relative sales declines may reflect the greater incidence of light industry in these areas—industries whose output has been better maintained in recent months.

Regional data are also available on automobiles, an important product not sold through department stores. New passenger-car registrations for the Nation as a whole were down approximately 5 percent from January–April 1953 to January–April 1954. Two districts—San Francisco and Cleveland—which fared less well than the national average in the change in department-store sales, also showed larger declines than the national total for new-car registrations. Two other districts—Kansas and Richmond—while roughly paralleling the national trends in department-store sales, underwent larger percentage declines in registrations. At the other extreme, in three districts which bettered the national trend in department-store sales—Boston, New York, and Atlanta—new-car sales were close to a year ago, with States in the Atlanta district showing a pickup in registrations this year as compared with a year ago.

# *New or Revised* STATISTICAL SERIES

### Consumer Credit: Revised Data for Page S-16[1]

[Millions of dollars]

| Item | 1953 January | February | March | April | May | June | July | August | September | October | November | December |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total short- and intermediate-term consumer credit, end of month ........ mil. of dol. | 20,946 | [illegible] | 20,661 | 21,009 | [illegible] | 22,654 | 22,907 | 23,136 | 23,620 | 24,147 | 24,611 | 25,827 |
| Instalment credit, total ........ do. | 14,000 | 14,564 | 14,560 | 14,753 | 15,341 | 16,078 | 16,600 | 16,700 | 17,090 | 17,411 | 17,961 | 18,084 |
| Automobile paper ........ do. | 6,146 | 6,111 | 6,095 | 6,180 | 6,531 | 6,965 | 7,193 | 7,204 | 7,359 | [illegible] | 7,866 | 8,099 |
| Other consumer-goods paper ........ do. | 4,175 | 4,092 | 4,082 | 4,075 | 4,201 | 4,360 | 4,400 | 4,670 | [illegible] | [illegible] | 4,902 | 5,328 |
| Repair and modernization loans ........ do. | 1,079 | 1,078 | 1,079 | 1,100 | 1,143 | 1,164 | 1,220 | 1,208 | 1,313 | 1,363 | 1,393 | 1,406 |
| Personal loans ........ do. | 3,200 | 3,265 | [illegible] | 3,398 | 3,407 | [illegible] | 3,618 | 3,607 | [illegible] | 3,724 | 3,760 | 3,861 |
| By type of holder: | | | | | | | | | | | | |
| Financial institutions, total ........ do. | 12,008 | 11,979 | 12,006 | 12,154 | 12,890 | 13,342 | 13,740 | 13,900 | 14,210 | 14,416 | 14,948 | 15,410 |
| Commercial banks ........ do. | 5,709 | 5,760 | 5,807 | 5,898 | 6,143 | 6,465 | 6,048 | 6,793 | 6,946 | 7,1[illegible] | 7,310 | 7,524 |
| Sales-finance companies ........ do. | 3,703 | 3,661 | 3,525 | 3,682 | 3,853 | 4,111 | 4,263 | 4,204 | 4,362 | [illegible] | 4,670 | 4,888 |
| Credit unions ........ do. | 634 | 640 | 681 | 667 | 690 | 729 | 762 | 771 | 781 | 808 | 813 | 887 |
| Other ........ do. | 1,902 | 1,909 | 1,924 | 1,967 | 1,998 | 2,044 | 2,077 | 2,099 | 2,112 | 2,13[illegible] | 2,160 | 2,216 |
| Retail outlets, total ........ do. | 2,652 | 2,587 | 2,601 | [illegible] | 2,651 | 2,731 | 2,760 | 2,809 | 2,880 | [illegible] | 3,013 | 3,274 |
| Department stores ........ do. | 877 | 866 | 873 | 879 | 907 | 933 | 940 | 969 | 1,0[illegible] | [illegible] | 1,032 | 1,187 |
| Furniture stores ........ do. | 726 | 707 | 693 | 691 | 714 | 735 | 749 | 763 | 774 | 784 | 809 | 866 |
| Automobile dealers ........ do. | 248 | 243 | 239 | 240 | 258 | 270 | 278 | 279 | 283 | 291 | 300 | 308 |
| Other ........ do. | 801 | 771 | 767 | 769 | 777 | 793 | 802 | 809 | 824 | 847 | 879 | 983 |
| Noninstalment credit, total ........ do. | 6,285 | 6,124 | 6,095 | 6,256 | 6,455 | 6,481 | 6,308 | 6,366 | 6,430 | 6,636 | 6,650 | 7,143 |
| Single-payment loans ........ do. | 1,930 | 1,963 | 2,004 | 2,013 | 2,062 | 2,060 | 2,025 | 2,024 | 2,059 | 2,035 | 2,100 | 2,094 |
| Charge accounts ........ do. | 2,749 | 2,404 | 2,414 | 2,541 | 2,666 | 2,671 | 2,585 | 2,690 | 2,649 | 2,789 | 2,839 | 3,342 |
| Service credit ........ do. | 1,607 | 1,647 | 1,677 | 1,702 | 1,727 | 1,740 | 1,748 | 1,752 | 1,761 | 1,722 | 1,711 | 1,707 |
| By type of holder: | | | | | | | | | | | | |
| Financial institutions, total ........ do. | 1,930 | 1,963 | 2,004 | 2,013 | 2,062 | 2,060 | 2,025 | 2,024 | 2,059 | 2,035 | 2,100 | 2,094 |
| Commercial banks ........ do. | 1,717 | 1,742 | 1,758 | 1,769 | 1,777 | 1,798 | 1,791 | 1,780 | 1,789 | 1,794 | 1,814 | 1,844 |
| Retail outlets ........ do. | 2,749 | 2,404 | 2,414 | 2,541 | 2,666 | 2,671 | 2,585 | 2,690 | 2,649 | 2,789 | 2,839 | 3,342 |
| Service credit ........ do. | 1,607 | 1,647 | 1,677 | 1,702 | 1,727 | 1,740 | 1,748 | 1,752 | 1,761 | 1,722 | 1,711 | 1,707 |

1. Compiled by the *Board of Governors of the Federal Reserve System*. Data have been revised to incorporate more comprehensive information that has become available since the preparation of the original estimates. No changes have been made in the figures for sales-finance companies.

## The Business Situation

*(Continued from p. 5)*

Among the smaller areas—those with less than 100,000 workers—divergences in employment experience have been more pronounced as strong dependence upon one or two industries is not uncommon. Fairly substantial increases or decreases have occurred. Among the 74 Continental United States labor market areas with less than 100,000 workers covered by the Bureau of Employment Security, nonagricultural employment declines of 11 percent or more were reported in 9. All but two, Lawrence, Mass., and Altoona, Pa., were in the Great Lakes area. All remaining eight are centers of metalworking and they are primarily producers of consumers' durables, automobiles, refrigerators, or parts. In most of these areas reduction of work on Government contract has been a contributing factor to employment decline, in one, Joliet, it has been the major factor. On the other hand, Lawrence and Altoona represent problems of long-term adjustment, aggravated by the recent downturn.

### *Some smaller areas increase*

Of the 74 smaller areas employing under 100,000 reported by the Bureau of Employment Security, 11 increased their employment during the past year. In 7 of these, jobs in manufacturing also increased; in 3 areas, San José, Atlantic City, and Corpus Christi, by 8 percent or more. Most of these areas are in the south and west, and a number are resort areas. In Aiken-Augusta, Mobile, and Chattanooga, large increases in manufacturing were offset by construction declines as factory operations began in newly built plants.

Because of their earlier employment history and a number of other factors the areas of recent employment decline do not necessarily have the heaviest unemployment nor do areas reporting employment increases necessarily have the lowest unemployment rates. There is, however, considerable correspondence between recent loss of employment and unemployment rates.